

# **Final Report of the Small Business Export Development Project (Phase II, June 1997 – February 2000)**

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Submitted by: Fintrac Inc.  
1746 Kalorama Road, NW  
Washington DC 20009  
Tel 202.462.8475, Fax 202.462.8478  
Email: [info@fintrac.com](mailto:info@fintrac.com) WWW: <http://www.fintrac.com>

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This Final Report summarizes the main SBED activities, outputs and impact. More detailed information can be found in the ten quarterly reports prepared throughout the duration of the Project. The following reports provide supplementary information to the Final Report:

- Target Companies: Summary of Project Assistance, Results and Impact – Final Report (February 2000)
- Summaries of the Web Sites for the JEA and Target Companies - Final Status Report (February 2000)
- The JEA Intranet (February 2000)
- Financial Report (to be submitted March 2000)

## **List of Abbreviations**

CARDI	Caribbean Agriculture Research & Development Institute
FDA	Food & Drug Administration
GoJ	Government of Jamaica
GoN	Government of the Netherlands
HACCP	Hazard Analysis and Critical Control Points
HO	Home Office (Fintrac Washington DC Office)
IICA	Inter-American Institute for Cooperation in Agriculture
JAS	Jamaica Agriculture Society
JEA	Jamaica Exporters' Association
LTTA	Long-Term Technical Assistance
PQ	Plant Quarantine
PM	Person Months
RADA	Rural Agricultural Development Authority
SBED	Small Business Export Development Project
STTA	Short-Term Technical Assistance
TA	Technical Assistance
USAID	United States Agency for International Development
UTECH	University of Technology
UWI	University of West Indies

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While SBED may have technically been a development project, it was run as a business providing products and services demanded by its clients/customers. Our success was directly tied to the success of our clients. The willingness of our customers to take on new technologies and make use of SBED's other products/services are testament to the entrepreneurial abilities of Jamaican small and medium-sized businesses. We would specifically like to thank those firms participating in the firm-level assistance program: Advanced Farms, Bellindo, Bernordia Produce, Blooming Things, Blue Mountain Aromatics, Central Food Packers, Chin's Farms, Cleopatra's Collection, Close Things, Coffee Cake Company, Crimson Dawn, Fashion Whirl, Green Castle, Holland Farms, Honey Bun, Island Foods, Island Souvenirs, JABLUM, Jaltique, Jamaican Floral Exports, JETCO, Just Kids, King Pepper, Marketing Development, McCallas, Mercon, Mistflora, Old Tavern Estates, Peak Bottling, Polka Dots, Rhymesbury Farms, Reggae to Wear, RST International, Smartline, Spunk Creations, Starfish Oils, Technological Solutions, Tijule, Tropical Exports, Tropical Food Distributors, Tropical Gardens, Tweedside Processors, Uniforms Limited, Valley Fruit, Viv's Art, WalkersWood, and Wassi Art.

We also extend our sincere appreciation to the entire staff, management, and Board of the Jamaica Exporters' Association. We would particularly like to thank JEA Executive Director Pauline Gray for her vision and dedication to realigning the JEA to support the efficient delivery of products and services demanded by its members. All of the JEA staff have made invaluable contributions to SBED and have positioned themselves to continue many of the SBED products/services post-project. Thanks are also due to the various other support organizations that helped SBED service the exporters, including IICA, Plant Quarantine, RADA and the Agribusiness Council.

SBED would not have even been possible without the financial support provided by USAID. We would like to particularly acknowledge the strong support and encouragement provided by USAID's SBED Technical Officers, especially Valerie Marshall and Claudia Hunter who between them covered most of the project time frame and who worked closely with the SBED team to ensure rapid delivery of the project's products/services.

And, a resounding "thank you" to the members of the SBED team itself for their hard work, dedication, and commitment over the last two and a half years. Project Director Andy Medlicott transferred invaluable technical skills to project clients and spent long hours designing innovative electronic productivity tools, training JEA staff, and providing guidance to the entire SBED team. SBED IT Specialists Richard Kelly and Eric Dorman worked hard to improve the technology of client firms and give them world exposure through the WWW sites that they created. SBED's dynamic Business/Export Development Advisors – Pam Wells, Marjorie McCalla, Claudia Wynter, and Brenda Robinson -- worked tirelessly to respond to a wide variety of clients' needs. Project Assistant and Information Specialist Eileen Chong took on new duties and increased workloads with enthusiasm and continually fostered team spirit through her attention to individuals. Thanks also are well deserved to a core group of part-time/short-term consultants, particularly the stellar inputs provided by Jamaicans Nsombi Jaja, Densey Davis, Doug Brown, Marguerite Orane, Veronica Morgan, Andre Gordon, Karin Wilson, and Idelle Brown.

We dedicate the achievements of SBED to the memory of our friend and colleague Brenda Robinson, SBED Business Development Advisor from June 1997 to December 1998. Brenda passed away in January 2000, having given much of her life to the development of Jamaica and after having touched so many of our lives professionally and personally. For those of us who knew her, we are truly lucky. For those who didn't, they will see her legacy in the work that she accomplished to develop a land she loved.

Tom Klotzbach, Vice President, Fintrac Inc.

Claire Starkey, President, Fintrac Inc.

## **Executive Summary**

1. This is the final report of the USAID-funded Small Business Export Development Project (SBED), implemented by Fintrac Incorporated over the period June 1997 through February 2000. The Project was based at the Jamaica Exporters' Association (JEA) in Kingston. Long-term project staff included an expatriate Project Director as well as four Jamaican professional: two Business/Export Development Advisors, one Information Technology Specialist, and one Administrative Assistant/Market Information Coordinator. Long-term staff were supplemented by short-term specialists (majority local) and Fintrac home office marketing and technical support.
2. Fintrac's primary approach was to provide firm-level technical assistance to fifty small- and medium-sized businesses in order to increase productivity, competitiveness, profitability, sales (local and export), and eventually employment.
3. Approximately 75 percent of SBED technical assistance was spent servicing 49 target firms, primarily drawn from the fresh produce, cut flowers, processed foods, crafts, and apparel sectors. The remaining balance of time was spent assisting over 300 other companies (primarily in training and information provision) as well as in JEA institutional strengthening activities. Much of the work done for the target firms is now being utilized by other firms in their sectors.
4. The main activities of SBED were not randomly chosen. Services were demand-driven and companies were surveyed to determine future needs and priorities. Examples of firm-level technical assistance included postharvest handling systems, HACCP systems design, packhouse design and layout, processed food plant design and layout, apparel plant material flow designs, quality and waste management and cut flower production. Assistance was also provided with the development of company business plans and promotional materials.
5. Firms were also assisted with information technology (including WWW sites, IT audits, computer training, installation of "electronic productivity tools") and provision of market information and intelligence.
6. The FinEx loan program was utilized to great success for financing short-term receivables, input purchases, and procurement of small equipment. The FinEx fund is being turned over to the JEA to administer at the end of the Project; loan assets are now more than the initial USAID investment. Because of the success of the FinEx fund, the Government of Jamaica, the Government of the Netherlands, and the ExIm bank have provided an additional J\$20 million of funds to the JEA to administer similar funds based on the FinEx example.
7. The main Project objective of increasing exports by 25 percent within 35 of the 50 target firms was met. Some of the newer target firms are still not in a position to export, but with the Project assistance that they received they are well positioned to do so in the future. Target companies have increased exports an average of 27 percent between 1996 and 1997, 60 percent between 1997 and 1998, and 20 percent between 1998 and 1999. While employment generation was not an immediate SBED objective, given the focus on productivity and competitiveness, there are signs that companies are beginning to increase staffing as sales increase. There is a definite lag time between increasing productivity and increased export sales (many firms increased local sales first), and an even longer lag between increased sales and increased employment.

8. While SBED concentrated on the firm level, this does not mean that it did not work with or have an impact on the “macro” level. Examples of SBED activities that have had implications for wider industry sectors or for small/medium-sized businesses in general include: food safety, pesticides, fresh produce statistics (sectoral planning), canned ackee exports (new market development), short-term funding availability (easier access), and on-line sales. However, these broader interventions were determined by the companies themselves and that is the reason SBED worked on them. Too often development projects focus on sector-wide interventions (particularly on policy matters) with a top-down approach (“we know what you need better than you do”) without taking into account the real priorities of the companies themselves. SBED took a different approach, working in these areas only if firms specifically identified them as major obstacles to survival or growth.
9. The JEA is well positioned to continue many of the SBED-developed products and services post-project, as staff have received training in various areas and JEA will be retaining the services of the SBED Market Information Coordinator. SBED-produced market surveys, technical information, electronic productivity tools, and other products have been organized on a Project-created JEA Intranet site. Revenue from sales of these materials is already accruing to the JEA.
10. The JEA is not well positioned, however, to provide the level of industry-specific technical (non-marketing) assistance provided by Project personnel. However, SBED has identified and tested a strong mostly local specialist consultant pool that can be used for more highly technical services. Fintrac made extensive use of Jamaican professionals for staffing both long-term and short-term positions – these professionals remain available to JEA, JEA members, and former SBED target firms.
11. In our original proposal, we challenged USAID to select Fintrac to implement the SBED follow-on – promising a commercially, demand-driven approach that was lacking in previous USAID programs in Jamaica for the last twenty years. While we have succeeded in meeting or exceeding all of the promised objectives and targets, we believe that we have achieved something much more. SBED has demonstrated that a focused demand-driven targeted approach works extremely well; a broad based approach will not give results (as demonstrated under SBED I and previous USAID and other donor agency programs). It is worth noting that others have recognized this and the European Union’s Target Europe follow-on project (Trade Development Project) is virtually modeled on SBED. But what makes us think that SBED was something special are the comments that we have received from our clients – some are given throughout this final report and even more are available from the actual client evaluations conducted in January 2000, June 1999, and June 1998. Based on our clients’ and counterparts’ feedback, we believe that the SBED Project will be regarded as one of the most successful and cost-effective technical assistance projects implemented in Jamaica for small and medium-sized businesses.

# **1. Project Background**

## **1.1 Timeframe**

The USAID-funded Small Business Export Development Project (SBED Phase II) was implemented by Fintrac Incorporated beginning in June 1997 with an initial time frame of twelve months<sup>1</sup>. Because of the initial positive results and requests from counterparts/clients, USAID extended SBED by eighteen months until December 1999. SBED was given an additional two-month no-cost extension through February 2000 due to Project savings in expenditures.

## **1.2 Counterparts**

The Jamaica Exporters' Association was the main SBED counterpart and the Project offices were located in the JEA's offices in Kingston. One of the SBED objectives was to strengthen the JEA, making it better positioned to offer products and services both for its current members and as an inducement to encourage membership growth. SBED target companies included JEA members as well as non-members. Because of SBED assistance, some of the latter group eventually became due-paying members of the JEA.

The Project also worked with other organizations, including IICA, Plant Quarantine, RADA and the Agribusiness Council.

## **1.3 Objectives**

The main predefined objective of the SBED Project was to increase exports by 25 percent within 35 of 50 target companies. However, the approach and work had to be modified from the onset. In most cases, increased exports over the short term are achieved by finding new markets and new buyers. However, SBED's technical staff found that the majority of companies were not ready to increase exports. There were many business practices which were deficient, including planning, costing, cash flow management, accounts receivables management, inefficient materials flow in factories, poor knowledge of market requirements in terms of standards, packaging and labeling, high cost input suppliers and many other areas. As a result, in most cases, the assistance provided by SBED needed to target areas that prepared the companies to be able to increase or develop exports over a longer term. SBED activities resulted in increased productivity that further resulted in increased total sales and profits. While the overall objective was achieved, export sales growth has lagged behind total sales growth in many cases. However, based on current client projections export sales are expected to expand significantly for many of the firms beginning in 2000.

Increased employment was not an immediate SBED objective, although this is an indicator overall for USAID. SBED activities were not designed to increase employment *initially*. In fact, since many of the activities were designed to increase productivity and thereby increase competitiveness, employment was expected to initially remain the same or even drop until sustained sales expansion justified increased staffing. It was known from the beginning that employment generation would lag behind companies'

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<sup>1</sup> Prior to June 1997, SBED was implemented by Chemonics International. Fintrac was awarded the follow-on SBED contract in June 1997 and implemented a different approach to technical assistance delivery that primarily focused at the firm level. Fintrac remained the prime contractor until project closeout in February 2000. "SBED Phase II" refers to the Fintrac portion of the project (June 1997 – February 2000) and this report describes this phase of SBED only.



increases in productivity, total sales, and exports. However, increases in employment are already now occurring amongst the client firms and the lag time is evident between firms that started receiving assistance in mid-1997 and those that started with the SBED program later in 1998 and 1999. Total employment by firms in the former category increased 13 percent over the period 1998-1999 (and had actually dropped 1 percent during 1997-1998), while target companies added later during the Project showed only a 3 percent employment increase over the same period. Based on past results, these latter firms should start showing higher employment increases in 2000 and beyond.

## **1.4 Technical Approach**

For companies to accept and apply advice, technology or recommendations, they need to see an improvement in dollar terms. Amongst client firms, there was a general perception that the previous SBED Project and other donor-agency projects did not provide meaningful business products or services. Therefore, at the start of Phase II many potential client companies were skeptical about the Project. The new SBED team had to demonstrate very quickly that they could provide solutions, improvements or market information that directly improved income, reduced costs and/or reduced losses. This was achieved by being demand driven and providing cost effective and user-friendly solutions to specific problems or requirements.

The primary approach to achieve the Project's objectives was to provide demand-driven, firm-level services to target companies to improve productivity, competitiveness, and profitability – positioning them for eventual increased sales, exports, and staffing. This approach worked and showed results with most of the client firms. Non-client firms are also now utilizing some of the tested SBED products/services and this trend is expected to increase. Thus, over the long-term, SBED impact will be sector-wide in addition to the impacts already accrued to individual SBED target firms.

A large percentage of the technical and training work was carried out at the company facilities. The in-house approach works much better than a broad-based approach, particularly with regards to training and technology transfer. Open workshops were carried out but were limited in number and concentrated more on market information than on technical subjects. In-house training and support were given to the people who needed it and was designed based on their level and requirements. While more time consuming, the payback was that this had a direct positive influence on the sustainability of the support activity within the company.

Approximately 75 percent of SBED time was spent servicing target companies. The remaining time was spent assisting other JEA members and non-members mainly with training and information provision, and in JEA institutional strengthening activities. In almost all cases, work with non-members involved activities that had already been carried out with target companies. This effectively improved the transfer and reduced the time input required. It should be noted that several companies were taken onto the Project, but due to lack of response, were removed as target companies. They were then treated as “other” clients. Similarly, several companies were assisted that could have been SBED target companies, but due to limitations in Project time and resources, were provided only basic assistance.

The Project was designed to assist exporters. In reality most of the exporters assisted also sell on the local market or through the tourist trade (indirect exports). Local market conditions subject the companies to international competition due to relatively open markets for imported items. In almost all cases, what is needed for the export market is also applicable for the local market. Therefore, benefits that were attained for the company operations and export products were also applicable to local market sales. In addition, in many cases it is necessary to build up a good local sales base and learn lessons before launching into the export market.

Sustainability is normally a key word associated with technical assistance projects and one of the areas by which “success” is judged. The approach taken by SBED was somewhat different as it was not a main Project objective to sustain all activities through the counterpart JEA. Sustainability for SBED was for the assistance, systems and improvements implemented as a result of the intervention in a company to be continued and built upon over the long term. The Project succeeded in achieving this. However, JEA recognized that the services SBED was providing to its clients were valuable to the wider membership and to others in the sector. JEA reorganized its staff along the lines of SBED with coordinators responsible for each sector, which allowed counter-parting with staff. Apart from ongoing information technology training throughout the Project, emphasis was placed towards the end on ensuring that JEA could continue certain activities, particularly those related to market information. Various training sessions, manuals, JEA Management Information Systems for enquiries and an Intranet with all SBED and JEA resource materials and publications were developed. Although it was not a primary Project objective, JEA will be able to sustain certain SBED activities. Ultimately, the Project achieved sustainability on several different fronts – first and foremost, for client companies’ operations, but *also* for services provision within the counterpart association.

Given the technical skills of the long-term staff, the Project provided the companies with their own personal advisors, whether technical, market information or computer related. Guidance, alliance building and troubleshooting were part of the day-to-day activities which cannot be shown to be “outputs” or “impact” in the true sense of the words. They were however, key components of the success of the Project.

Finally, the name “SBED” was always used secondary to the “JEA”. Everything done, prepared or presented was always referred to as “JEA SBED” and not the other way around. This has ensured that any benefits and reputation gained were taken first by the Association and second by the Project. The name of the contractor (Fintrac) was rarely used at all. While unusual, this has prevented confusion on who does what and who is who, and proved to be the most effective approach. SBED has delivered – and as a result the JEA has developed a reputation of being able to deliver. Many companies and other institutions now use the JEA as their first and often only source of information.

## **2. Overview of Project Activities**

In the eyes of the users of SBED services and assistance, the Project has been very successful. The philosophy behind the business-like approach of providing the “customer” exactly what they want or need, when they want it, cost effectively, and in a user friendly manner has been proven to be a winner. This demand-driven approach was made possible by having technically skilled long-term staff, with good home office back-up and making maximum use of technology.

The Project has achieved many “firsts” – not only in Jamaica, but also in the wider Caribbean. A few highlights of SBED activities include:

- Demand-driven technical assistance focused on individual companies that provided solutions in various forms to enable them to expand, reduce costs, increase profit and become more competitive in their markets (local or overseas). Both long-term and short-term Project staff have provided high quality firm-level technical assistance to target companies resulting in improved efficiencies, productivity, cost reduction and market development. Examples of firm-level technical assistance include post-harvest handling systems, HACCP systems, pack house designs and layout, processed food plant design and layout, apparel plant material flow designs, quality and waste management and

cut flower production. Assistance was also provided with development of company business plans and promotional material.

SBED has worked intensively with 49 target companies and has supported or provided information to over 300 companies. Target companies have increased exports an average of 27 percent between 1996 and 1997, 60 percent between 1997 and 1998 and 20 percent between 1998 and 1999.

- In-house training in a wide range of areas has been provided to more than 700 target company employees, plus an additional 600 persons in open workshops organized by SBED and others.
- A small short-term loan fund (FinEx) was established that made loans without collateral – a concept that most believed from the onset was a non-starter. The Project demonstrated that companies can and will repay loans when they are associated with other technical support activities.

The FinEx program has made 60 loans to 26 companies totaling J\$19.98 million. The fund's total assets have increased from J\$3.56 million to J\$4.60 million since its inception in June 1997, making it one of the most successful small business loan programs in Jamaica. Even if the currently three past due loans are excluded, loan assets at the end of the Project will exceed loan assets at the beginning. The success of the FinEx program has resulted in two other agencies providing additional loan funds to the JEA and the lending pool has been expanded by J\$20 million: J\$10 million from the Governments of Jamaica and the Netherlands, and J\$10 million from the Exim Bank. Both additional loan funds are being administered by the JEA under SBED-designed guidelines modeled on the FinEx program.

- SBED designed and helped implement the first HACCP food safety program for papaya production and exports. Record keeping and retrieval was facilitated by the design and development of an Access based computer application. The Project was also key in developing the first HACCP plan for an ackee processing plant that was used as a template for three other plants and subsequently submitted to FDA
- In terms of information technology, more than 60 companies and 150 persons have benefited from Web

### **General Client Comments on the SBED Project**

*Throughout this final report selected comments are provided from client firms on the SBED program in general and on specific products and services received from SBED. More comments are available from the target company survey responses.*

*“Overall SBED is a dynamic lifeline for small businesses in Jamaica.”*

*Terri Lee  
Wassi Art*

*“The most rewarding part of this program was the short time it took to accomplish tasks. The team members were extremely professional, focused and knew their area well. This is the best assistance program I have experienced as it was ‘timely’ and goal orientated.”*

*Michelle Chong  
Honey Bun*

*“The SBED team has made a great impact on this company from the inception of the program with us. The program is an excellent one, and we hope to see it continue, as our manufacturing sector is in need of all the help that we can get in this economic climate.”*

*Dahlia Smith  
Forrest, Just Kids*

*“We received excellent and very ‘involved’ service from the SBED team which has resulted in essential programs and documents for our company. These services were invaluable.”*

*Christine Eaton  
King Pepper*

*“Overall SBED has provided an invaluable service that is critically needed within our sector on an on-going basis.”*

*Lynda Rickards  
Peak Bottling*

site design, information technology (IT) audits and recommendations, and Internet and computer training. Of the 49 target companies, only five companies do not now use computers as part of their business operations. During the Project, more than 20 target companies have purchased their first or additional computers, networked and/or upgraded, mainly as a result of SBED IT audits.

The Project built the JEA "Export Jamaica" WWW site and an additional 20 WWW sites for individual companies. Traffic has built up to around 100,000 hits and 10,000 users each month. In the latter part of the Project, e-commerce sales were tested and three target companies now have online stores. Overall direct (known) sales from all sites totaled more than US\$delected.

The Intranet site developed by SBED and used in JEA is unique in Jamaica. This "knowledge management" tool enables immediate electronic access by all staff to JEA and SBED publications, resources and tools, plus links to the relevant web sites for obtaining secondary market information.

- The Project has helped target firms and other companies with the introduction of SBED-designed productivity and management information tools, mainly in the form of spreadsheet applications. Together with the introduction of computerized accounting systems, more than 30 of the target companies have significantly improved their management/decision taking activities because of SBED electronic tools. This has resulted in improved productivity, cost/cash control, cost/waste reduction and improved productivity – all with the aim of making the products more competitive and profitable.
- The Project-developed Fresh Produce Export/Import Data System has demonstrated that timely, accurate and detailed data is essential for forward planning and performance review. The successful SBED system is being adopted by other countries; in June 1999, it was installed in Uganda to monitor fresh and processed agricultural exports and it is to be implemented Caribbean-wide by IICA and the European Union.
- The Project has developed a strong reputation as a market and technical information provider to the business sector and has produced more than 150 newsletters, bulletins, manuals and technical reports for both target companies, JEA membership and the export companies in general.

"SBED/JEA project activities have been a big help to us in facilitating our export drive. This program is just what small exporters need to develop their export drive."

*Dudley Eaton  
King Pepper*

"The SBED Project has been instrumental with the re-structuring and development of McCallas Labs. At the inception of the program, the company was fighting the high interest of the commercial banks and in a small building, as the Managing Director thought it was prudent to reduce expenses. However, due to the assistance of the SBED team, the company has returned to a large factory, increased sales, improved financials and is ready to meet all the challenges of a global market."

*Alarene Knight  
McCallas Labs*

"The staff attitude in general – and their overall enthusiasm in particular – are very welcome at this stage of the company's development."

*Malcolm McInnis  
Coffee Cake Company*

"I have found the assistance of the SBED Project to be of invaluable support. It is like having an encyclopedia of knowledge at your fingertips and I have gotten assistance from the smallest detail to the most complicated and always in the most efficient and timely fashion."

*Cheryl Robinson  
Polka Dots*

"The increase in sales, knowledge of market and current marketing and promotion venture has only been possible because of the continued assistance of the SBED team."

*Alarene Knight  
McCallas Labs*

With the development of the JEA Resource Center, production of market information products, and provision of training to JEA staff to improve in-house technical capabilities, JEA SBED has proven to be a reliable and rapid source of information for exporters and other support institutions. JEA SBED input is frequently requested from RADA, Ministry of Agriculture/Plant Quarantine, IICA, CARDI, the Agribusiness Council, JAMPRO, UWI/UTECH and others.

- SBED has provided extensive market and product development assistance to target firms, allowing them to upgrade products and enter new markets. Activities in this area include: meeting market requirements for food safety (HACCP systems), designing proper labeling (bar coding), sourcing ingredients and raw material, and making market contacts.
- The Project has from the beginning focused on developing in-country technical assistance skills and has prioritized using local technicians for both long-term and short-term assignments whenever possible. This has proven particularly effective, providing both technical continuity and cost benefits. Jamaicans accounted for 76 percent of long-term technical assistance and 55 percent of short term assignments.
- Through strong financial controls, the contractor has provided more technical assistance including extensive counterpart contributions than was originally planned. Fintrac has provided an additional 22.6 person months (PM) of additional technical assistance while still remaining within budget: 13.2 PMs of additional long-term technical assistance, 1.3 PMs of additional short-term technical assistance, and 8.0 PMs of home office technical assistance. All of Fintrac's Home Office technical support to the Project and JEA (totaling 9.4 PMs) has been provided free-of-charge as an in-kind contribution with a total estimated value exceeding US\$deleted. Fintrac additionally provided free WWW hosting services to the JEA and 20 member sites over the life of the Project, an in-kind contribution worth US\$deleted.

"The SBED Project has been extremely beneficial to many companies including Rhymesbury Farms. The support has significantly contributed to our operation as we have been able to increase our exports. We have found SBED staff to be professional, helpful and attentive."

*Michael Lewis  
Rhymesbury Farms*

"SBED has been monumental in implementing information and technology procedures and training therein. SBED has provided crucial working capital assistance as well as performed a great deal of costly and time-consuming market research on our behalf. Services that have helped in the development of our business. We hope that the Project continues indefinitely."

*Kynan Cooke  
Starfish Oils*

"The strength of the Project was the low key, practical approach taken. Great job and very beneficial. It's a shame it has come to an end."

*Ricky Wates  
Valley Fruit*

"Follow-up work by SBED was very useful – like having another member on the management team helping us focus and make decisions."

*Vivienne Logan  
Viv's Art*

Based on client and counterpart feedback, we believe that the SBED Project will be regarded as one of the most successful and cost-effective technical assistance projects implemented in Jamaica for small and medium-sized businesses.

### **3. Profiles and Performance of SBED Target Companies**

Fintrac designed SBED to be implemented rapidly, to hit the ground running and to provide results to its clients. As a result, the Project initially selected companies that met the following criteria:

- Under-utilized production capacity;
- Export ready or already exporting; and
- Fewer than 50 employees.

These criteria in themselves put the Project on a strong footing. Four sectors were selected: fresh produce (including cut flowers), processed foods, apparel and crafts. When the second phase began in July 1998, the selection criteria were relaxed in terms of being export ready and several companies were taken on who were new or had concentrated only on the local market. In addition, companies from other sectors were also included such as the service sector and “unusual” processed foods such as bottled water and bakery products.

#### **Results**

- Target companies showed an average growth of 27.0 percent between 1996 and 1997, 60.2 percent between 1997 and 1998, and 19.7 percent between 1998 and 1999.
- Total employment change was a negative 4.5 percent between 1997 and 1998, and a positive 8.7 percent from 1998 to 1999.
- The overall project target of 25 percent growth in 35 of 50 companies was met.

Target company sizes ranged from micro (1 employee) to medium (up to 100 employees), and from US\$1,000 to US\$3.5 million in exports. A complete list of the companies, sectors and sizes is given in Table 1.

The target companies were surveyed three times during the Project to obtain final export figures for 1997 to 1999. Information on their performance is provided in Tables 1 and 2.

Overall, positive growth was shown throughout the period. Individual companies varied in performance, some showing significant growth while others decreased. Growth in 1998-99 was less than the previous year, but can be considered acceptable given that several companies did not have export statistics available and because of the general economic

climate.

While not asked in the latest SBED client survey, nine companies volunteered export sales projections for 2000. All of these companies projected increased of 10 percent or higher despite the overall economic conditions within Jamaica.

Fresh produce and cut flower exports were seriously affected by disease problems with papaya and anthuriums. Papaya exports should begin increasing again with replantings and better crop management. SBED has provided considerable technical assistance to the Jamaican papaya industry. Cut flower exports should also show increases beginning in 2000 with exports of tropical orchids, a product supported by SBED short-term technical assistance.

While average employment increased by just under 6 percent in each of the periods 1997-1998 and 1998-1999, total employment actually declined by 4.5 percent between 1997 and 1998. This was expected as

most companies have rationalized and are maintaining core staff in order to increase productivity. Immediate increased employment cannot be expected as companies cut costs, drive to increase productivity and become more efficient with lower costs. Over the longer-term, however, as client firms expand both local and export sales, employment in these firms should begin showing increases. In fact, this is already happening; total reported employment in client firms increased just under 9 percent between 1998 and 1999.

For the most part, individual clients' performances correlated with the general conditions of the sectors within which they operated. Most fresh produce clients were affected by drought early in the Project, but most are now showing recovery. As mentioned earlier, disease problems with papaya also affected fresh produce export performance the same as anthurium disease problems affected cut flower exports. Despite recent problems, both the fresh produce and cut flower sectors are considered to have good export growth potential. The processed foods and crafts sectors are even more attractive; SBED clients in these sectors have shown the best performance during the Project. Small and medium-sized firms in the apparel sector have shown less potential for expanding direct export sales, although there are still quite a lot of untapped opportunities through indirect export markets (i.e. sales through tourists).

Table 1: Export and Employment Figures for Target Companies

FIRM	Phase	EXPORTS (US\$ 000s)				Exports (% change)			EMPLOYMENT			Employment (% change)	
		1996	1997	1998	1999	96-97	97-98	98-99	97	98	99	97-98	98-99
<b>FRESH PRODUCE</b>													
Advanced Farms	1					-4.2%	9.3%	36.4%	100	96	112	-4.0%	16.7%
Bernordia Produce	1					166.7%	-21.5%	-7.3%	7	7		0.0%	-100.0%
Chin's Farms	1					-16.7%	0.0%	60.0%	7	7	10	0.0%	42.9%
Holland Farms	1					-55.0%	-59.7%	-3.4%	50	25	25	-50.0%	0.0%
Marketing Development	1					-20.1%	-15.6%	2.6%	24	24	15	0.0%	-37.5%
Mistflora	1					18.0%	15.2%		40				
Rhymesbury Farms	2						149.9%	-9.3%	25	40	35	60.0%	-12.5%
RST International	1					7.9%	-17.2%	-12.1%	27	32	30	18.5%	-6.3%
Tropical Exports Ltd	1					10.0%	-13.4%	8.1%	19	18	18	-5.3%	0.0%
Tropical Food Distributors	1					229.3%	34.6%	-16.7%	25	27		8.0%	
Valley Fruit	2					-8.1%	-3.8%	15.9%	100	90	70	-10.0%	-22.2%
<b>CUT FLOWERS</b>													
Blooming Things	2							-59.4%					
Green Castle	2												
Jaltique	2						-10.7%	4.0%	8	6	6	-25.0%	0.0%
Jamaican Floral Exports	1					-20.0%	-53.1%	16.1%	50	50	50	0.0%	0.0%
Mercon	1					40.0%	28.6%	44.4%	7	7	8	0.0%	14.3%
Tropical Gardens	1						-25.3%	8.3%	10	12	12	20.0%	0.0%
<b>PROCESSED FOODS</b>													
Central Food Packers	2						1.3%	11.1%	35	35	35	0.0%	0.0%
Coffee Cake Company	2												
Honey Bun	2						-42.5%	-71.4%	50	50	50	0.0%	0.0%
Island Foods	1					-15.2%	11.2%	-19.3%	10	7	7	-30.0%	0.0%
King Pepper	2						158.6%	-39.7%	30	34	40	13.3%	17.6%
McCallas Laboratories	1					3.7%	21.6%	-2.2%	15	15	15	0.0%	0.0%
Tijule Ltd	2						-34.5%	116.2%	16	16	16	0.0%	0.0%
Tweedside Processors	1					4.4%	-2.5%	20.5%	60	60	100	0.0%	66.7%
WalkersWood	1					22.5%	37.2%	7.3%	47	50	51	6.4%	2.0%
<b>APPAREL</b>													
Cleopatra's Collection	2						150.0%	60.0%	4	12	20	200.0%	66.7%
Close Things	2												
Crimson Dawn	1						9.5%	-13.5%	45	44	45	-2.2%	2.3%
Fashion Whirl	1					166.7%	14.1%		27	6		-77.8%	
Just Kids	1					-82.1%	150.0%	20.0%	15	25	30	66.7%	20.0%
Polka Dots	2						803.4%	114.8%	23	23	22	0.0%	-4.3%



**Table 1: Export and Employment Figures for Target Companies**

FIRM	Phase	EXPORTS (US\$ 000s)				Exports (% change)			EMPLOYMENT			Employment (% change)	
		1996	1997	1998	1999	96-97	97-98	98-99	97	98	99	97-98	98-99
Reggae to Wear	1					1.2%	-29.8%	-45.7%	50	50	50	0.0%	0.0%
Spunk Creations	2						277.2%	-33.6%	31	30	37	-3.2%	23.3%
Uniforms Ltd	2										23		
<b>CRAFT</b>													
Bellindo	2								0	3	6		100.0%
Blue Mountain Aromatics	2							358.0%	3	3	4	0.0%	33.3%
Island Souvenirs	2								0	2	6		200.0%
Starfish Oil	1					133.3%	95.7%	35.0%	10	10	12	0.0%	20.0%
Viv's Art	2										1		
Wassi Art	1					41.9%	66.8%	25.3%	40	45	60	12.5%	33.3%
<b>COFFEE</b>													
JABLUM	1					18.0%	-13.5%	48.0%	18	18	21	0.0%	16.7%
Old Tavern Estates	2								0	0	2		
<b>OTHER</b>													
JETCO	1					-22.3%	31.2%	-20.4%	4	4	4	0.0%	0.0%
Peak Bottling	2						6.1%	-54.3%	20	20	25	0.0%	25.0%
Smartline	1						380.0%				18		
Technological Solutions	2						118.4%	122.0%	16	17	18	6.3%	5.9%

Confidentiality Notice

SBED clients firms provided the financial and management information for this table with the condition that SBED and USAID regard the information as confidential. Therefore, all information in this table should be treated strictly confidential. No individual company information should be disseminated outside of USAID without the express written permission from each firm's management.

Employment figures deleted

**Table 2: Summary of Export and Employment Figures for Target Companies**

% Change		% Change	
Exports US\$ Average Change 96-97	27.0%	Total \$ Exports 1996	
Exports US\$ Average Change 97-98	60.2%	Total \$ Exports 1997	16.4%
Exports US\$ Average Change 98-99	19.7%	Total \$ Exports 1998	8.2%
		Total \$ Exports 1999	3.1%
Average employment change 97-98	5.7%	Total Employment June 1997	
Average employment change 98-99	5.9%	Total Employment June 1998	-4.5%
		Total Employment June 1999	8.7%

## 4. Technical Assistance

Technical assistance was provided to the target companies on a demand driven basis. Several non-target companies also benefited from direct technical assistance or from applicable market surveys made available to the wider sector. In order to maximize the input, attempts were always made to provide the service to several companies. Technical assistance was provided by both long-term Project staff and short-term consultants. The assistance was wide-ranging – from business plan development to specific market research, HACCP, quality and customer service training and to packhouse/processing plant design layout and materials flow.

### Outputs / Results

- Technical assistance provided by the long-term technical assistance team to more than 50 companies in a wide range of areas.
- 21 short-term technical assistance programs implemented benefiting more than 24 companies.
- Technical assistance provided directly related to improved productivity & efficiencies, reduced costs, improved management information systems, market development, increased exports, access to loan funds, rescheduling of debt, implementation of HACCP programs and other benefits.

### 4.1 Long Term TA

Critical to the success of the Project was the hiring of technically competent long-term staff. Staff were changed during the Project as contracts ended and the extension was implemented. The team was made up as follows:

- Chief of Party, Andy Medlicott, June 1997 – February 2000. Responsible for overall Project management, fresh produce, some processed foods, HACCP, training, business development, market information, preparation of manuals,

### Selected Client Comments on SBED Technical Assistance

“Implementation of the HACCP (food safety) program provided immediate results especially in the areas of management accountability and job performance.”

*Piers Harvey, Advanced Farms*

“Visit by Ken Leonhardt (STTA) to our farm was very useful in terms of increasing our productivity.”

*M. Malavannan, Tropical Gardens*

“Of all the Projects that have been on stream, we can definitely say that SBED has done everything to help us in every area possible, and we have our current progression to show as positive proof.”

*Dahlia Smith Forrest, Just Kids*

“SBED assisted the company in becoming export ready. The company still needs additional support in this area to enable successful entry into the export market in 2000.”

*Gregory Khan, Uniforms Ltd.*

“We have for two years without success tried to implement a HACCP system. With Dr. Medlicott’s practical experience with fresh produce we have been able to do more in the last three months than in the first two years. Happily we are almost complete. We will be the first fresh produce producer in Jamaica to have completed such a program.”

*Ricky Wates, Valley Fruit*

“Many, many infrastructural work has been laid through SBED. The company exports are small but with the foundation laid to build a strong export quality orientated and accountable (productive) program.

*Michelle Chong, Honey Bun*

computerization and development of productivity tools.

- Business/Export Development Advisors. This was initially one position for which two persons worked part time and then made into two full-time positions. The Advisors worked with companies in all sectors on business plans, marketing plans, market development, supplier sources, quality management and market information. The positions were held by Brenda Robinson (June 97 – December 1998), Claudia Wynter (June 1997 – July 1998), Marjorie McCalla (August 1998 – February 2000) and Pamela Wells (January 1999 – January 2000).
- Information Specialist. The IT Specialist position was held by two persons: Richard Kelly (June 1997 – July 1998) and Eric Dorman (August 1998 – January 1999). The specialist was responsible for Web site construction, target company IT and Y2K assessments and assistance, troubleshooting and training.
- Administrative Assistant – Market Information Coordinator. The Administrative Assistant position was held by Eileen Chong for the duration of the Project (July 1997 – February 2000). Her job description and responsibilities were modified and expanded to prepare and coordinate the market information provision to clients, SBED and the JEA. She is also responsible for the JEA MIS system and the Intranet site. Ms Chong will remain with the JEA after Project completion.

As demonstrated in the summarized responsibilities above, all staff members were able to provide technical assistance to client companies in various disciplines. This flexibility ensured that clients were serviced rapidly and effectively.

Services provided were wide ranging and included: packhouse designs, layout, materials flow, handling systems, packaging and labeling requirements, business plans, marketing plans, cash flow projections, product costings, market development, promotional plans, quality manuals, HACCP plans and manuals and others. Selected long-term technical assistance activities are given in Table 3.

The Project provided an additional 13.2 PMs above the budgeted amount for long-term technical assistance. This was made possible through strong financial controls.

“I believe one of the Project success stories has been Walkerswood’s commercial relationship with another SBED client – Greencastle Estates – who supplied us with some 140,000 lbs of hot pepper with a value of US\$ 40,000 in 1999. We are now trying to complete similar arrangements with another SBED client, Rhymesbury Farms. These arrangements have far reaching benefits not only to the company but also to Jamaica as a whole. We again commend SBED for a fantastic effort.”

*Johnny McFarlane, Walkerswood*

“Provided well needed technical assistance for orchid and anthurium production. Dr. Leonhardt made sound recommendations in the cultivation of dendrobiums which are already paying dividends and should lay the foundation for our growth in the future. As a matter of interest, Dr. Leonhardt proved so beneficial that we brought him to Jamaica in November ’98 at our own expense.”

*Robert Facey, Jamaican Floral Exports*

“SBED helped us implement the first HACCP system for papaya in Jamaica. This was a pilot project and the information will go to other farmers. SBED were fantastic in making the system practical and easy to use.”

*Ricky Wates, Valley Fruit*

“I have found that SBED assisted us in getting more organized with our own internal systems which has enabled us to plan ahead in a more meaningful way.”

*Lynda Rickards, Peak Bottling*

**Table 3: Selected Long-Term Technical Assistance Activities**

Activity	Company	Date	Result / Benefit
<b>Quality Manual</b>	Crimson Dawn	9/99	Used to improve coordination between the various divisions in CD and improve overall quality management and customer service. Extracts from the Manual were used to create posters and signs to communicate CD's Production Process.
<b>HACCP Plan/Manual</b>	Advanced Farms – Papaya	12/99	Used to implement HACCP systems necessary for entry into the US market.
	CANCO – Processed Foods (non target company)	9/99	Used to implement HACCP systems for ackee processing for submission to FDA for US entry. Used as template for three other plans.
	Valley Fruit – Papaya	7/99	Used to implement HACCP systems necessary for continued entry in the UK market.
	Valley Fruit – Papaya	10/98	HACCP Prerequisite assessment. Used as a basis for developing HACCP Program.
	Advanced Farms – Papaya	8/98	HACCP Prerequisite assessment. Used as a basis for developing HACCP Program.
	Rose Hill / Mistflora – Fresh Cut Vegetables	11/99	HACCP Prerequisite assessment. Used as a basis for developing HACCP Program. Assistance provided with development and implementation of HACCP systems (local market sales to food service sector).
<b>Packhouse Designs</b>	Grace Kennedy (non-target company)	12/98	Packhouse layout plans to improve product flow, handling and productivity.
	RST International – Fresh Produce	11/97	Packhouse layout plans to improve product flow, handling and productivity.
	Tropical Foods – Fresh Produce	9/97	Packhouse layout plans to improve product flow, handling and productivity.
	Holland Farms	9/97	Packhouse layout plans to improve product flow, handling and productivity.

## 4.2 Short Term TA

For all short-term technical assistance, companies were required to make a financial contribution of J\$1,800/day. Almost all companies who benefited from the support obtained immediate or mid-term benefits. Again, these benefits were wide ranging, enabling the companies to reduce costs, improve productivity, access loans, develop new markets and formulate marketing plans. Short-term technical assistance interventions are listed in Table 4. In all cases, individual reports, manuals or software applications were prepared.

For short-term technical assistance, both local and US-based consultants were used. Several of the US consultants carried out their assignments in the US (mainly for market research). The use of local consultants gave the Project great flexibility and the ability to provide on-going assistance. Their performance could also be assessed and many are included in SBED's list of resource contacts available at the JEA.

In several cases, non-target companies also benefited for short-term TA, most notable with cut flower production and market survey work. In addition, several companies have hired the consultants themselves and covered all costs (include air transport and per diem for one from Hawaii).

The Project provided an additional 1.3 PMs above the budgeted amount for short-term technical assistance. This was made possible by using some lower priced consultants and spreading individual assignments over a period of time.

**Table 4: Short Term Technical Assistance Activities**

Activity	Consultant/Date	Companies	Output / Results
HACCP training for ackee processors	Andre Gordon & Veronica Morgan (local) 8/99	Tijule, Canco, West Best & open workshop	Prepared companies for pending FDA approval on ackee exports to the USA.
Development of computerized data bases for target companies.	Densey Davis (local) 8/99	Valley Fruit, Technological Solutions, JEA	MS Access based computer applications for HACCP and MIS. Improved productivity.
“Sales & Administration procedures for fresh produce exporters”.	Idelle Brown (local) 8/99	Fresh Produce Exporters	Partial manual completed.
Cut flower production support.	Ken Leonhardt (US consultant) 6/99	Jamaica Floral, Greencastle Estates, Tropical Gardens & Llandovery Orchids	Production advice and recommendations. Improved production / reduced costs.
North American and UK market survey for Jamaica processed foods.	Fintrac and various ST TA (US & UK based) 9/99	SBED Processed Food target companies and wider sector.	Comprehensive market information and sector trends. Essential for planning.
Support to fresh produce exporters with importer / exporter business practices.	Fred Webber. (US Consultant) 6/99	Fresh produce sector & open workshop.	Manual. Essential for new companies and existing ones to improve business practices with importers.
Support to selected apparel companies with plant / product engineering.	Doug Brown (local) 6/99	Reggae to Wear, Polka Dots, Uniforms Ltd	Technical/production advice and recommendations. Improved production and reduced costs.
Program development for computerized databases, spreadsheets and training tools.	Densey Davis (local) 6/99	JEA & SBED	Access based applications for JEA MIS and fresh produce export data collection. Functioning MIS system and most accurate, timely & detailed fresh produce export data.
Support to four processing companies on materials flow, plant layout and semi-automation of processes	Tom Parks (US consultant) 12/98	King Pepper, Walkerswood, Tijule and Central Foods	Technical/production advice and recommendations. Enabled improved materials flow and equipment purchases for semi-automation.
Quality, productivity,	Nsombi Jaja (local)	In-house workshops	Improved teamwork and

**Table 4: Short Term Technical Assistance Activities**

<b>Activity</b>	<b>Consultant/Date</b>	<b>Companies</b>	<b>Output / Results</b>
waste management and customer service for new target companies	6/98	given to 16 target companies and AgroPartners, Plant Quarantine and Customs.	customer service.
Establishing the JEA Resource Center	Tom Klotzbach (Fintrac)	JEA SBED	JEA Resource center/library established.
Caribbean Sales Enhancement Program.	Karin Wilson (local)	11 SBED companies.	Some sales and many market contact leads
USA Survey, Market Information and Market Contacts for Blue Mountain Coffee.	Leighton Ashley (US based)	JABLUM & Starfish Oils.	Report with recommendations and contacts for market development. Some sales and contacts made.
Assistance in Plant Design for Processed Foods.	Alfred Bartholomai (US Consultant)	Walkerswood	Report with plant design and equipment. Allowed company to plan and cost expansion program.
Training of JEA staff in Market Information Systems and analysis.	Fintrac Home Office training	JEA	Training program and materials.
Assistance in Production Systems for Orchids and Anthuriums.	Ken Leonhardt (US Consultant)	Jamaica Floral, Greencastle Estates & St. Thomas small farmer group.	Technical/production advice and recommendations.
Customer Service Audits for JEA and Design Briefs for two companies.	Marguerite Orane (local)	JEA, McCallas Labs and Tropical Exports, plus open workshop.	Report, recommendations and manual. New labels designed and introduced.
Market Development for Starfish Oils.	John McCabe. (US based)	Starfish Oils	Report and recommendations for marketing strategy.
Marketing and Market Information Assistance to Flower Exporters.	Nancy Laws. (US consultant)	Cut Flower Sector & open workshop	Market survey report findings and recommendations.
Quality Management / Productivity workshop and in-house training.	Nsombi Jaja (local)	In-house training with 6 SBED companies and open workshop	Workshop proceedings and training manual.
JEA training in DTP / Internet and Web page development	Tom Klotzbach (Fintrac)	JEA	DTP manual.

### 4.3 Fintrac Home Office

Significant technical and market information support was also provided by Fintrac's home office management and staff. This included obtaining primary and secondary market information, preparing

market surveys, sourcing, buying and shipping equipment for the Pre-Clearance Program, training of JEA staff, Web Site hosting and maintenance, and assistance to the JEA Board and others.

Fintrac's home office technical support to the Project and JEA was provided free-of-charge as an in-kind contribution with a total estimated LOE of 9.4 PMs (estimated value exceeding US\$deleted).

## **4.4 Results & Impact**

As was indicated in the comments provided by the target companies, the results and impact of the technical assistance were far ranging. Almost all of the technical assistance was demand driven by the company and resulted in improved production and efficiencies, better quality and customer service, ability of companies to meet market requirements (HACCP for papaya, fresh cut vegetables and ackee), increased plant automation (processed food companies) and wider market exposure. While much of the work was company specific, much was relevant to and can continued to be used by entire sectors (such as food safety, primary market surveys, and equipment needs for semi-automation).

## **5. Business Planning**

One of the most popular services of SBED was "business planning". Many of the companies either did not have a business plan to begin with or needed a business plan to obtain loan financing or reschedule debt. Marketing and promotional plans were also carried out and assistance given with importer/buyer contacts and direct marketing programs. Assistance was given to 13 companies in this area and is summarized in Table 5.

Results and Impact. Overall the business planning process has helped SBED companies focus on the priorities for reorganizing their businesses and position them to significantly expand their exports. These plans have been used by management to guide operations, effect improvements in profitability, efficiency, productivity and to build their business locally and internationally. Business plans have also enabled SBED companies to formalize their marketing strategies and to use their plans as a

### **Outputs / Results**

- Assistance provided to 13 companies with business plan preparation.
- Plans successfully used to reschedule debt, obtain loan funds and to guide company operations.
- Assistance in marketing plans, promotional plans and cash flow projections also provided.
- Business plan templates developed with background and market information for several sectors.

### **Selected Client Comments on SBED Business Plan Support**

"We have produced a quality policy manual, a marketing plan and a three-year business plan. We appreciate all the assistance received and hope the Project will continue."

*Paulette Rhoden, Crimson Dawn*

"We received excellent and very 'involved' service from the SBED team which has resulted in essential program and documents for our company (eg. development of a business plan and marketing plan, web site, processed plant layout, etc.). These have resulted in potential increased export sales and contacts and has aided our loan accessibility. These services were invaluable.

*Christine Eaton, King Pepper*

measurement tool for the implementation and assessment of marketing activities. Several companies have used their plans to successfully support loan and debt restructuring applications to various loan and grant financing institutions.

**Target Companies Post-SBED.** For those companies with business plans, the SBED input is completed and being used. In all cases the plans were developed as joint activities with the companies. The managers therefore have the experience of putting the plans together, a learned skill that can be used in the future. Some companies already use outside consultants to assist with business planning. For companies with high turnover and cash flow this will continue to be possible, but the smaller companies will continue to need assistance.

“SBED created a business plan where none existed. Very beneficial for the company as management now has a document which they can use for planning and accessing financing and which provides details on the organization.”

*Lynda Rickards, Peak Bottling*

“Business plan was extremely helpful as I would not have had the discipline to complete this myself. Worth a lot to me.”

*Vivienne Logan, Viv's Art*

**JEA Post-SBED.** JEA staff does not have the necessary technical skill to develop business plans for clients, nor should they be considered to do so with the present staff complement. There are sufficient good management consultants locally who can assist and SBED has provided a list of contacts.

For almost all sectors SBED has developed market information on prices, import volumes, export figures, trends, competition, SWOT analyses, buyer lists, rules and regulations, packaging needs, technical requirements, etc. (under the Market Information activities). These are necessary ingredients in business planning and save companies (and SBED staff) significant time in research.

In addition, SBED has left several business plan templates, sector reviews and business start-up/development presentations that can be used to assist client needs. As long as these are updated, they will continue to meet JEA requirements.

**Table 5: List of Selected Business Planning Support Activities**

Activity	Company	Date	Result / Benefit
<b>Business Plan</b>	Uniforms Ltd - Apparel	1/00	To be used as a guide and control measure by Management to effect improvements in the company's profitability, efficiency, productivity, customer servicing and targeting. Also to support the implementation of UL's plans to start selling on the export market during 2000. To be used in support of applications to various programs for Export Development Loan/Grant Financing.
	Bellindo - Crafts	1/00 (Draft)	DRAFT Business Plan will be used as a basis for Final Document. To be used primarily by Bellindo's Management to guide and monitor the implementation of their plans to significantly build their business locally and also in the Caribbean. May be used to access Export Development grant financing – if necessary.
	Crimson Dawn - Apparel	1/00	To be used by Management to guide company's operations with particular emphasis on expanding exports. Used to support an application to the Caribbean Export – Export Competitiveness Project. Will also be used in support of other applications for Export Development Loan/Grant Financing.
	Just Kids - Apparel	11/97 & 1/00	Supported company's Debt Restructuring application under the Apparel Industry Special Assistance Program (SAP). The company's application was approved and their debt obligations reduced (11/97) To be used in support of company's applications for Export Development Loan/Grant Financing. (i.e. JEA/World Bank Loan



**Table 5: List of Selected Business Planning Support Activities**

Activity	Company	Date	Result / Benefit
			Fund, Caribbean Export – Export Competitiveness Fund, JAMPRO/Trade Development Project). (1/00)
	King Pepper Products – Processed Foods	6/99 & 12/99	Helped to gain KP's Board support for Management plans – having them in writing made them more credible and acceptable to the Board. Used by Management to guide and monitor operational and marketing activities and sales performance. (6/99) Used to support company's application to the JEA/World Bank Loan Fund and Caribbean Export – Export Competitiveness Fund. Will also use the business plan to support an application to the JAMPRO/Trade Development Project. (12/99)
	Central Food Packers – Processed Foods	11/99	For submission to Finsac for debt restructuring.
	Blue Mountain Aromatics – Crafts	11/99	Management tool and also for commercial bank loan.
	Viv's Art – Crafts	8/99	To support application for SBED FinEx funds.
	Peak Bottling – Bottled Water	5/99	Initially used as a management tool and subsequently used to support application for World Bank funds.
	Polka Dots - Apparel	4/99	Helped to focus company on the priorities for reorganizing the business and getting it in a better position to significantly expand its export business. Supported company's negotiations with its commercial bank to reschedule outstanding debt of the company. These negotiations were successful as the loan repayments are at a "manageable" level and the company is current with their debt servicing.
	Advanced Farms – Papaya	12/98	Used to support application for World Bank loan.
	McCallas Labs – Processed Foods	5/98	Used to guide company operations & for submission for loan funds.
	Valley Fruit - Papaya	10/98	Used to guide company operations & for submission for loan funds. Resulting loans saved US\$14,000 in monthly repayments.
<b>Marketing Plan</b>	King Pepper Products – Processed Foods	12/99	Being used as a guide and measurement tool for the implementation of marketing activities and to track actual vs projected sales performance by markets and product categories. Also will support KP's applications for Export Development funding.
	Honey Bun - Bakery Products	9/99	To guide management to formalize strategy.
	Uniforms Limited - Apparel	6/99	Target Cayman Action Plan - implementation of the first steps if this plan (direct mail and telemarketing) benefited the company as follows: - Provided useful market intelligence from contact made directly with target customers. - Promoted the company and its products to prospective buyers. - Laid the groundwork for Uniforms proposed visit with the JEA/JMA Mission in February 2000.
	McCallas Labs - Processed Foods	4/99	To formalize strategy and to facilitate brief & discussions with advertising agency.
<b>Marketing Budget</b>	Peak Bottling – Bottled Water	10/99	Used to justify application for World Bank funds for export marketing.

## 6. General Information Technology

The workplan set targets for providing information technology (IT) assistance to a minimum of 40 companies in a range of IT services.

### Outputs / Results

- 35 Target companies assisted with IT and Y2K.
- At least 25 other companies assisted.
- Almost all target companies now fully computerized.
- More than 100 persons trained in areas such as MS Office, computer fundamentals, virus protection, back-up, productivity tools and other areas.
- 27 Monthly newsletters prepared and disseminated on "Computer/Internet News".

General IT. The Project has assisted at least 60 companies in information technology. The process essentially involved visiting the company, looking at existing hardware and software, determining their needs and providing recommendations. It also covered in-house training and troubleshooting. This assistance has included:

- Recommendations for hardware, software and networking requirements.
- Productivity tool development, customization and training.
- System utilities, backup and data protection (virus).
- Assistance with computer upgrades and equipment selection/purchase.
- Installing remote networking.
- Internet set-up and training.
- In-house MS Office training.
- E-mail programs, databases and broadcast e-mails and PC-based faxing.

### Selected Client Comments on SBED General IT & Y2K Services

"The program lead us successfully through the Y2K problem."

*Piers Harvey, Advanced Farms*

"I think that this has had a positive although indirect impact on exports. Increased efficiency with spreadsheets and Word are both helpful. IT assessments have impacted on the programs we use and helped us prepare for Y2K."

*Christine Eaton, King Pepper*

"With the IT audit we were advised of our new hardware and software requirements. We have upgraded. We are now using the Internet to do most of our communications with our customers and it has made huge savings in phone bills."

*Ricky Wates, Valley Fruit*

Year 2000 (Y2K). Assistance also included preparing companies for “Y2K”. Audits were carried out using off-the-shelf software and recommendations provided to companies. Most had to either upgrade hardware and/or software (particularly accounts packages). Ten companies benefited from this service. A similar activity was carried out with the JEA, AgroPartners and some Plant Quarantine hardware.

Selected IT and computerization assistance that was provided by SBED is listed in Table 6.

**Table 6: Selected IT and Computerization Assistance Provided**

<b>Area</b>	<b>Companies</b>
Accounting systems/training	Jamaican Floral, Marketing Development, Bernordia, AgroPartners, JEA, Valley Fruit, Advanced Farms, King Pepper, Peak Bottling
Computer Assessment	Marketing Development, Pallodino, JETCO, JABLUM, RST International, Wassi Art, Mercon
Computer Fundamentals, Data Backup & Virus Protection	Crimson Dawn, Advanced Farms, Valley Fruit, King Pepper, McCallas Labs, Starfish Oils
Computer Purchase - Advice & Assistance	Just Kids, Peak Bottling, Marketing Development, Tropical Foods, Crimson Dawn, Agro-Partners, Jamaican Floral
Contact Management using MS Outlook	Starfish Oils
E-Mail software installation & training	McCallas Labs
Internet installation/training	Walkerswood, Tropical Foods, Tropical Exports, Starfish, McCallas Labs & Others
IT Assessments	JAFLEX, King Pepper, Reggae to Wear, Valley Fruit, Advanced Farms, Allsides, Tropical Foods, JEA, AgroPartners, Technological Solutions, Marketing Developments, McCallas, Just Kids
Networking	Technological Solutions, Walkerswood, Valley Fruit, McCallas Labs, Starfish Oils
POS Purchase – Advice	McCallas, Blooming Things,
Productivity Tool Installation/Training	Just Kids, Agro-Partners, Honey Bun, Citrad, Green Castle, La Moda, Reggae to Wear, Tropical Exports, Tropical Foods, RST, AgriVentures, Bernordia, Mercon, Peak, McCallas, Jaltique, Tropical Gardens, Mistflora, Valley Fruit, Advanced Farms, Norman Jaggon, Holland Farms and others.
Remote Networking installation and training	Technological Solutions
Troubleshooting	Starfish Oils, JEA, AgroPartners,
Word & Excel Training - In-house	King Pepper, Advanced Farms, Crimson Dawn, Polka Dots, Bellindo
Y2K Assessments	JAFLEX, King Pepper, Reggae to Wear, Valley Fruit, Advanced Farms, JEA, AgroPartners, Technological Solutions, Honey Bun, Crimson Dawn, Plant Quarantine (airports)

**Results.** Significant improvements have been made with target companies in computerization and the use of PC based tools for management information systems and improved productivity. Assessments made over the last year have shown that more than 20 companies have purchased new computers, upgraded existing hardware/software or installed networking systems. Most of these have been in response to audits carried out by the Project.

Computerization has improved company productivity and internal controls with the use of accounts packages, spreadsheets, productivity tools, Internet and e-mail. All SBED target companies will say that assistance in this area has benefited the company operations in one way or another.

Because of SBED assistance, none of the SBED companies or the JEA experienced Y2K problems.

More than 30 companies benefited from in-house training and two workshops were held on the Internet and two workshops on Word and Excel. More than 150 persons benefited from the training, most of which is now used on a regular basis.

Project Outputs. Individual company reports were prepared on the IT/Y2K assessments, MS Office training manuals and several productivity tools.

Target Companies Post-SBED. Almost all of the activities carried out are completely sustainable by the companies. All companies receiving IT assistance and training will continue to develop their computer skills and computerization processes. Many are using them to obtain, retrieve or create internal management information as the value has been demonstrated. They will continue to do so. Several had developed sufficient spreadsheet skills that they can and have modified SBED products to improve and customize them for their own operations.

SBED has also prepared a list of resource contacts available locally with most of them being “tested” by SBED. These resource contacts cover hardware/software suppliers, training services, web site developers, ISPs and others. These can be used when problems cannot be fixed internally or product development is needed.

JEA Post-SBED. JEA staff has also participated in MS Office training, data back-up, virus protection and some hardware troubleshooting. They do not have the skills for productivity tool development, but, as most are written in Excel, outside sources can easily be used.

## **7. WWW Sites**

Project Targets. The main targets were to:

- Expand the JEA site’s content
- Expand interactive capabilities
- Construct 20 member sites

Activities and Results. The JEA web site was expanded significantly to include information provision, links to member company sites, business services, JEA SBED publications and links to other useful sites. A bulletin board was constructed to provide an interactive component where exporters can post on-line buy-sell information. A total of 20 company web sites were constructed by SBED with links being made to 6 other member sites. Sites were also constructed for the Jamaica Papaya Growers’

### **Outputs / Results**

- JEA Web Site, Papaya Growers’ Home Page & Fresh Produce Home Page.
- 20 SBED target company Web Sites.
- Three sites with e-commerce capabilities.
- Minimum US\$deleted in orders taken through the sites, excluding orders passed to distributors.
- Publications sold via the JEA site.

association and for the fresh produce export sector in general (Fresh Produce Home Page). SBED also constructed the G-15 Convention web site in February 1999 under contract from JAMPRO.

- The Main JEA WWW Site

Web site traffic on the site has developed steadily since construction in July 1997. Monthly users are now above 10,000 with more than 100,000 hits. Most users visit 10 pages on the site and stay for an average of more than 22 minutes. These figures, while low compared to the “giants”, are very good for an association site. This has been made possible by the careful indexing of the site with search engines, making sure that the required key words are present for the “spiders” and developing strategic links with business sites and other associations.

“Exportjamaica” receives an average of 100 e-mail enquiries each month. These cover a wide range of queries – exporter contacts, potential distributors, technical questions, input/equipment suppliers and others. Many buyer enquiry contacts have been passed to both JEA member and non-member companies in Jamaica.

The site can be found at [www.exportjamaica.org](http://www.exportjamaica.org). A separate summary document is provided with this report on the site design, contents, and capabilities, along with the most recent traffic report.

- Target Company Sites

Twenty sites were constructed for SBED target companies. The traffic on these sites varied depending on the sector and the products. Selected sites were consistently in the higher rankings – particularly the processed food and craft sectors. Most sites have developed regular enquiries and traffic. Most enquiries relate to where the user can obtain the product at a retailer level. Some ask about becoming brokers of the products. Several companies pass the information to their brokers for follow-up while some deal direct. Others include questions on how to use certain products. Sales have been made as a result of these enquiries although the exact levels are difficult to quantify.

The more forward thinking companies are using these enquiries to develop databases for direct marketing campaigns. Clients who have already expressed an interest in the products or have purchased already are targeted for new products or for special offers. This is standard e-commerce practice.

### **Selected Client Comments on SBED-Designed WWW Sites**

“We have received many enquiries from the web. The turn-around time was amazing.”

*Michelle Chong, Honey Bun*

“Not only has the web site been successful, but the entire creation was done by SBED. Andy took the photos of the products, factory and workers, while Eric used his creativity to design the web site from scratch. We cannot stress the impact it has had on our company. This service not only saved us considerable amounts of money but it has resulted in sales and contacts that would not have been possible without it. We have received many compliments on our site. We are grateful for the service. It was essential to create a web site in order to increase the awareness of our very exportable products.”

*Christine Eaton, King Pepper*

“The establishment of the web site with SBED assistance is a major step in our marketing and serves to establish our brand name in markets that we could not afford to reach using conventional methods.”

*David Twineman, Old Tavern Coffee Estate*

The sites can be found at the addresses given in Table 7 below. A separate report provides information on each individual site's design, contents, and capabilities – as well as the most recent traffic report.

**Table 7: Target Company Web Sites and URLs**

<b>Company</b>	<b>URL Address</b>
Advanced Farms	<a href="http://www.exportjamaica.org/papaya/advancedfarms.htm">http://www.exportjamaica.org/papaya/advancedfarms.htm</a>
Honey Bun	<a href="http://www.exportjamaica.org/honeybun/Default.htm">http://www.exportjamaica.org/honeybun/Default.htm</a>
JABLUM	<a href="http://www.exportjamaica.org/jablum/">http://www.exportjamaica.org/jablum/</a>
JETCO	<a href="http://www.exportjamaica.org/jetco/toc.htm">http://www.exportjamaica.org/jetco/toc.htm</a>
King Pepper Products	<a href="http://www.exportjamaica.org/kingpepper/">http://www.exportjamaica.org/kingpepper/</a>
McCallas Labs	<a href="http://www.exportjamaica.org/mclas/products.htm">http://www.exportjamaica.org/mclas/products.htm</a>
Old Tavern Estates	<a href="http://www.exportjamaica.org/oldtavern/">http://www.exportjamaica.org/oldtavern/</a>
Peak Bottling	<a href="http://www.exportjamaica.org/peak/">http://www.exportjamaica.org/peak/</a>
RST International	<a href="http://www.exportjamaica.org/rst/default.htm">http://www.exportjamaica.org/rst/default.htm</a>
Smartline Pet Products	<a href="http://www.exportjamaica.org/smartline/">http://www.exportjamaica.org/smartline/</a>
Starfish Oils	<a href="http://www.exportjamaica.org/starfish/default.htm">http://www.exportjamaica.org/starfish/default.htm</a>
Technological Solutions	<a href="http://www.exportjamaica.org/tsl/">http://www.exportjamaica.org/tsl/</a>
Mercon Ltd	<a href="http://www.exportjamaica.org/mercon/">http://www.exportjamaica.org/mercon/</a>
Tropical Exports	<a href="http://www.exportjamaica.org/tropicaexports/default.htm">http://www.exportjamaica.org/tropicaexports/default.htm</a>
Tropical Foods	<a href="http://www.exportjamaica.org/tropicalfoods/default.htm">http://www.exportjamaica.org/tropicalfoods/default.htm</a>
Tweedside Processors	<a href="http://www.exportjamaica.org/tweedside/default.htm">http://www.exportjamaica.org/tweedside/default.htm</a>
Uniforms Ltd	<a href="http://www.exportjamaica.org/uniforms/">http://www.exportjamaica.org/uniforms/</a>
Valley Fruit	<a href="http://www.exportjamaica.org/papaya/valleyfruit.htm">http://www.exportjamaica.org/papaya/valleyfruit.htm</a>
Walkerswood	<a href="http://www.exportjamaica.org/walkers/default.htm">http://www.exportjamaica.org/walkers/default.htm</a>
Wassi Art	<a href="http://www.exportjamaica.org/wassi/default.htm">http://www.exportjamaica.org/wassi/default.htm</a>

E-Commerce. Although e-commerce is considered a trend for the future it did not prove possible to implement this activity from the onset. Primarily this is because Jamaican banks will not accept credit cards without signatures. Several companies have overcome this either by accepting risk if the payment is not made or by using a US merchant account. Three small sites were developed with e-commerce:

- Mercon (Tempting Tropicals) - Cut Flowers
- Old Tavern Coffee Estates - Blue Mountain Coffee
- Honey Bun – Cakes

Additionally, at Project closeout Fintrac's home office was providing assistance to Blooming Things (flowers) and Walkerswood (processed foods) in developing online stores for their products. This home office assistance is part of Fintrac's counterpart contribution.

Mercon has made direct on-line sales totaling US\$ deleted and have set up regular sales to a client of around US\$ deleted/week. Old Tavern Estates has made sales of US\$ deleted. Honey Bun's e-commerce capability was completed on January 28th 2000 – their first on-line order was received the same day!

Other sites have received orders via the WWW sites, but with sales made by conventional methods. These include Wassi Art (US\$deleted), Starfish Oils (US\$deleted), King Pepper (US\$deleted), Honey Bun (US\$deleted) and Smartline (US\$deleted).

One logistical problem with e-commerce is the shipping costs. The value of the product has to be high enough to cover the courier charges from Jamaica. Several companies have been successful in negotiating reasonable rates with overnight delivery services (some by up to 30 percent lower than normal rates).

However, not all companies can or should be trying to sell directly over the Internet. There are several companies that have high-quality, high-value products that are particularly suitable for Internet sales. These include Wassi Art, Starfish Oils and Reggae to Wear. Both Starfish and Wassi Art have developed additional sites with their own URL with on-line sales capability (both sites are linked through ExportJamaica). Starfish bulk ships in containers to Miami where they are broken down and shipped directly to the final consumer from Miami. On-line orders can be processed and delivered faster at a more competitive rate with a warehouse/distribution system in the US (the only proviso is that the company needs sufficient cash flow to fill a container with product). Wassi Art is also going this route as well, in addition to direct shipments from Jamaica. Reggae to Wear and Walkerswood plan similar operations.

Site Monitoring. WWW site statistics are easy to monitor as are the company Web site enquiries (all enquiries are copied to SBED) and the on-line sales. These have been provided regularly in all SBED Quarterly Reports and Updates. It is difficult to monitor the secondary sales where companies pass the information directly to the brokers who follow-up.

Target Companies Post-SBED. E-commerce will continue to play an important role in sales and market development for many companies. Several have already gone on to develop their sites with their own URL including Wassi Art, Starfish Oils and Walkerswood. They have done this independently of SBED. Others can be expected to do so.

JEA Services Post-SBED. All of the Web site services will be continued. Fintrac will continue to host the site in Washington DC free of charge. Revenue to the JEA is already being obtained by selling advertising space on the site in the form of banner advertisements (four time spaces have been sold so far for J\$28,000). Price structures for the individual companies have been set for hosting charges and these will begin before June 2000.

New web sites can be continued to be developed. Over the last year, SBED has turned down requests for site construction by non-target companies and SBED companies requiring site upgrades and their own URL. These have been referred to a local company (JEA member) that both designs, maintains and hosts the site for the company. The company has produced good quality and timely work and outsourcing this service can continue on a selective basis.

WWW site maintenance is a little more problematic as JEA do not have the technical skill in html programming. The SBED Market Information Coordinator has basic skills and with assistance from Fintrac, will be able to provide basic maintenance. Over the longer term, her skills will develop and it is not recommended that JEA hire a full time WWW site developer at this time.

## **8. Market Information**

Market information was obtained, prepared and disseminated to more than 300 companies. This was the area of activity that was most broadly utilized. In many cases information was obtained for SBED target companies and was applicable or suitable to other companies in the sector. Market information is normally

“We could always access information through SBED whose personnel were very friendly and co-operative.”

*Juliet Newell, Tijule*

associated with prices and import volumes. In SBED's case, market information was used to cover a whole range of information required for companies to successfully enter a market.

Types. The Project provided a wide range of market information including: market prices; import statistics; lists of importers, brokers, distributors, supermarkets, retailer outlets, restaurants, gourmet shops and others; contacts for input suppliers including packaging and machinery; market information by specific countries; demographics; and technical information. Examples of the categories of information requests and the number of requests in each category (from February 1999 to January 2000) are given in Table 8.

### Outputs / Results

- More than 300 companies provided with market information.
- Information beneficial to companies' bottom-lines in many ways, including price negotiation, reduction in input costs, sources of equipment, packaging, input supplies, etc.
- Market information systems established.
- Market information specialist trained and taken on post-Project by the JEA.
- Market information products developed by SBED centralized for access by all JEA on an Intranet site.
- MIS system developed for recording and tracking

**Table 8: Information Request by Category and Frequency** (from JEA MIS application – 2/99 to 1/00)

Information Category	Frequency	Information Category	Frequency
Market Information	47	Food Processors	5
Statistics - Export	44	Food Safety	5
Importer Contact	42	Manuals	5
Exporter Contact	41	Training Info	5
Prices	21	Business Start-up Info	4
Suppliers	20	SBED Info	4
JEA Loan Info	14	SBED Publications	3
Contracts	13	Association Info	2
Financing	12	Duties	2
Technical	10	Internet/Web	2
Business Planning	9	Pesticides - US Tolerances	2
Statistics - Import	9	Web Site	2
Suppliers - Equipment	9	Aromatherapy Companies	1
Trade Fairs	9	Communication Tools	1
		Employee Ownership/Profit	
Export Services	8	Sharing Schemes	1
Packaging	7	Export Documentation	1
Productivity Tools	7	Seminars - Motivational Talk	1
Export Regulations	6	Standards	1
		Suppliers - Packaging	1
<b>Grand Total</b>	<b>390</b>		

Uses. There were many uses for the market information products produced by the Project, including sales price negotiation, input cost negotiations, business planning, equipment sourcing for semi-automation,



introduction of upgraded packaging, bar coding for market requirements, pesticide regulations to follow market requirements, and new market/buyer development.

Users. The users of the market information were wide ranging. Most were export companies or persons thinking of becoming involved in exports. Students, government ministries and institutions, regional organizations and other support agencies were also regular users. Since records began with the JEA MIS in February 1999, over 300 different companies/persons have accessed information. The JEA MIS developed under the Project allows for tracking of users and the information area. This will allow the JEA to target companies when new information is available, track non-member use and market JEA membership to these non-members, and to ensure members are aware of and using the services.

Demand. During the initial phase of the Project the demand for the different types of market information was not closely monitored. With the development of the JEA MIS the different subject areas can be tracked. This information can be used to tailor services and to concentrate in specific areas. A summary of the main areas utilized is provided in Table 8.

WWW Site Enquiries. The JEA WWW site receives 50-100 enquiries each month.. These are wide ranging with many asking for exporter contacts, sources of products overseas, offers to become distributors, input suppliers offering services, technical questions, information on product availability and general questions on Jamaican exports. Most of these are passed directly to the relevant companies whether they are JEA members or not. In some cases, the buyer contacts were given to SBED companies and exports were established (cut flowers to St. Maarten, for example). More than 300 e-mail enquiries from the JEA WWW site were replied to from September 1998 to January 2000.

Post-SBED. The SBED Market Information Specialist, Eileen Chong, will continue with the JEA post-SBED. As a result, the knowledge obtained during the Project of existing material, the actual information sources and the assimilation and presentation skills will remain within the JEA. The MIS and the Intranet site will facilitate this process and will be continued by Ms Chong. She will also continue to maintain and respond to e-mail requests from the JEA web site.

In order to standardize information operations and services in the JEA an Operations Manual was prepared and training carried out with staff. This is used in conjunction with the MIS and the Intranet site.

## **9. FinEx**

The FinEx fund was set up to provide loans without collateral to SBED target companies. This in itself was new in Jamaica. The shortage of low cost loan funds was considered a major problem for companies when SBED stated up. In reality, most of the companies needed to have improved management systems, accounting procedures and costing in place before they could really take advantage of the facilities. SBED assisted several companies directly in these areas.

FinEx loans were used to help finance short-term receivables, purchase raw materials and procure small equipment items. Maximum loan amounts were J\$350,000 with a maximum term of 120 days. Companies were allowed to use the funds a maximum of three times.

Performance. The initial fund was “capitalized” with J\$deleted from USAID under SBED. A total of 60 loans were made to 26 companies totaling J\$deleted. The total assets of the funds now stand at J\$deleted. A totals of J\$deleted was earned from processing fees. Three loans totaling J\$deleted are long overdue and may be considered uncollectable. Even with these three loans excluded, total fund assets are greater than the initial USAID “investment.” The work plan stated that at least 75 percent of the original “risk

### **Outputs / Results**

- FinEx made short-term loans without collateral to 26 companies.
- 60 loans were made totaling J\$ deleted.
- Repayment was very high considered the nature of the loans. Only three loans are considered “uncollectable”.
- The JEA were able to leverage the success to attract to other loan funds run under the same conditions but with higher loan amounts from the GoJ/GoN and EXIM Bank.
- Total short-term loans (without collateral) under the JEA now total J\$deleted

management fund” would be available at the end of the Project – this has been exceeded with over 100 percent available. In addition, it was proposed that the fund would be turned over at least 5 times – it was in fact turned over 5.6 times.

Many lessons were learnt from the management of this fund. These experiences were used in setting up the other loan funds in JEA, and in providing training to JEA staff members in administration of the funds. An operations manual was also prepared for JEA on Company Assessment and Procedures for JEA Loan Facilities.

Results. Analysis carried out on FinEx’s impact on fresh produce exporters’ cash flows showed that if funds of J\$deleted were turned over 1.5 times per month with gross margins (after deduction of direct costs) of 15 percent, an additional US\$deleted can be generated for the exporter. FinEx assisted the fresh produce companies in reducing finance charges, improving cash flow and increasing volumes.

In the case of raw material purchases, several companies have been able to obtain inputs at lower prices (by bulk purchasing), respond to orders faster (enabling additional sales) and offer improved flexibility to their clients. With equipment purchases financed by FinEx, production capability of one company has increased by up to 25 percent with reduced production costs associated with improved equipment.

In all cases the FinEx fund has assisted directly with the Project’s overall objectives of increasing exports or positioning the companies to enable expansion.

### **Selected Client Comments on the SBED FinEx Fund**

“Not only did we receive well-needed working capital, but we benefited from every aspect of the program that was made available to us.”

*Dahlia Smith Forrest, Just Kids*

“Use of FinEx impacted on our exports. Prices could be either maintained or lowered as a result of the utilization of the fund.”

*Christine Eaton, King Pepper*

“The FinEx facility has assisted our company to purchase an adequate supply of important raw material which allowed prompt delivery of goods to our customers. Paying in September for our raw material, the company has been able to maintain prices and the increase in the exchange rate has only assisted to improve the profit received on our export orders. In addition, these funds assisted with the cash flow of the company, as it was not necessary to take the money from working capital to purchase major raw material requirements.”

*Alarene Knight, McCallas Labs*

“The FinEx program has been of immense assistance. Through this fund we have purchased additional equipment and raw material which has increased our production capacity over 30%.”

*Terri Lee, Wassi Art*

“FinEx funds were very useful and feeling that SBED is interested in the development of the company – not just in getting their money back.”

*Vivienne Logan, Viv’s Art*

**Table 9: FinEx Fund Account Summary (02/11/00)**

<b>FinEx Account Summary</b>	<b>J\$</b>
Opening Balance 26 <sup>th</sup> Aug '97	
Closing Balance 11 <sup>th</sup> Feb '00	
Total Processing Fees Earned:	
Total Bank Interest Earned:	
<b>FinEx Fund's Current Net Assets and Turnover</b>	
Closing Bank Balance	
Loans Outstanding - Current	
Loans Outstanding - Past Due	
Total Fund's Net Assets	
Loan Fund Assets at Start of Program	
Increase (Decrease) in Fund Assets	
Total Loan J \$\$\$ Made to Date	
Turnover of Loan Fund to Date (Goal)	
Total Loans Made to Date (Goal)	

Post-SBED. The FinEx facility was run from the onset with the involvement of the JEA. When the funds are transferred to the JEA at the end of the Project this will ensure continuity. In addition, JEA is already running two other facilities based on the FinEx format. Therefore, there will be no problem with continuity of this program.

## 10. Productivity Tools

One area that was initially identified as lacking was the limited use of computer spreadsheets for reducing manual calculations and providing more accurate and timely management information. These have been particularly well received by clients as immediate benefits can be obtained and their use is long-term. The productivity tools developed by SBED are designed to save staff time, while providing accurate and reliable data for the companies to make informed management decisions. They are relatively simple and do not require specialized software, running on MS Excel. As a result, they can be modified, upgraded or personalized

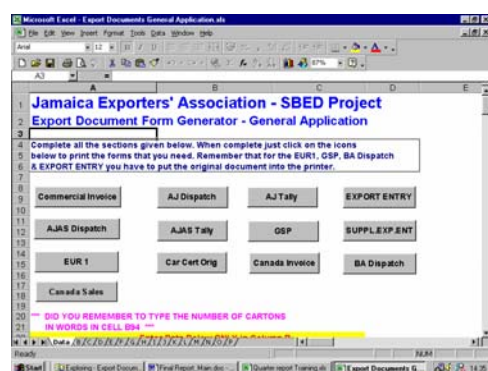
### Outputs / Results

- The productivity tools were one of the most effective activities to improve company productivity and provide management information for tracking and decision making.
- The tools were very popular with both management and staff.
- More than 60 companies are using productivity tools. The export document form generator was developed for four sectors and is in use by more than 30 companies.
- Other tools included costing sheets, inventory, payroll and others.

(with the password) by users and therefore do not require expensive programming time to make changes or correct faults.

A total of five off-the-shelf products were developed that can be used by exporters with no customization. An additional 12 tools were developed that were customized for individual companies.

Export Document Form Generator. This was originally developed for a flower exporter who spent around 40 hours of staff time per week preparing export documents for shipments – a necessary requirement but unproductive in terms of value added to the product. Export documentation previously took at least an hour for each shipment; with the



new tool it now takes 10 minutes. The time saving for Apparel 807 documents is even greater – one company

employed a person virtually full time to complete export documents – she now spends less than eight hours per week on this task. In addition, training in document preparation now takes less than an hour and several staff can be easily trained. This enables flexibility and improves staff productivity. One set of data automatically completes up to 12 separate export documents – only the ones required are printed. Four different applications were developed:

- General Application (fresh produce, craft and other short description products)
- Flowers
- Apparel – CARICOM shipments
- Apparel – 807 shipments

The applications were tested by SBED companies over a 12-month period and improvements made as required. A manual was prepared for the General Application (as Fresh Produce) for users. The files are now sold on diskette to both JEA members and non-members. The export document applications are also being recommended by a Foreign Trade Facilitation report to the Ministry of Industry and Investment (December 1999). The application is now in use by more than 30 companies and growing.

Fresh Produce Export Costing Spreadsheet. The fresh produce costing spreadsheet allows companies to calculate exactly their margins by product within a shipment and for the overall shipment. Companies then use this to ensure profitability or to change product mixes based on margins. It is also used to provide quotes to importers and to calculate prices that can be paid to suppliers based on import market

### **Selected Client Comments on the SBED Electronic Productivity Tools**

“A fresh produce costing system was provided. This tool will greatly assist in decision making as to the viability of a product on an on-time basis.”

*Robin Crum-Ewing, Green Castle Estates*

“Assistance with spreadsheets extremely useful. We have 100% more control from use of new spreadsheets.”

*Michelle Chong, Honey Bun*

“Have been so pleased with the tools that we have been promoting them to other exporters.”

*Rita Hilton, Marketing Developments*

“QuickBooks made the job easier, more accurate, access information, faster and easier. Export documents did the same, make job less stressful. Production spreadsheets did the same.”

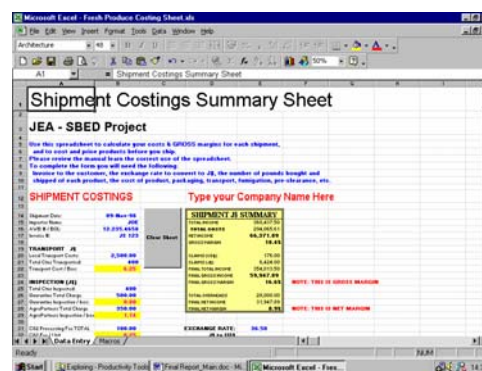
*Andrea Green, Jamaican Floral Exports*

“We received help in the area of business and marketing plans, worker programs and export documentation that helped tremendously in eliminating time-consuming paper work processing.”

*Dahlia Smith Forrest, Just Kids*

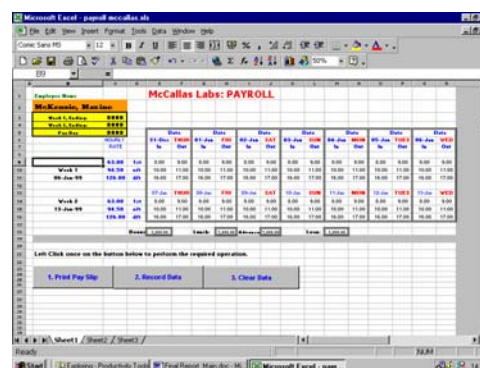
prices. This can now be done in less than 5 minutes. This is an off-the-shelf product that is sold on diskette to fresh produce exporters. A manual was also prepared.

Processed Foods Costing Spreadsheet. Processed food costings are normally more complicated than basic fresh produce exports. There are more cost centers and normally a wider range of products. As a result, these tools were individually customized for each company. Basically, the client enters the prices of all input costs on a single sheet and these are transferred to each finished product. For example, if the price of 12-oz bottles change, once entered it will immediately change the cost price of all the 12-oz products. This saves time and the new cost price can be immediately seen by individual product in detail or all products in summary.



Information can be transferred to a database where pivot tables can be used to analyze costs and performance by product over time. Several companies have stated that this has immediately saved them money. Five companies have this system in one form or another. A manual on use of pivot tables was prepared and in-house training provided.

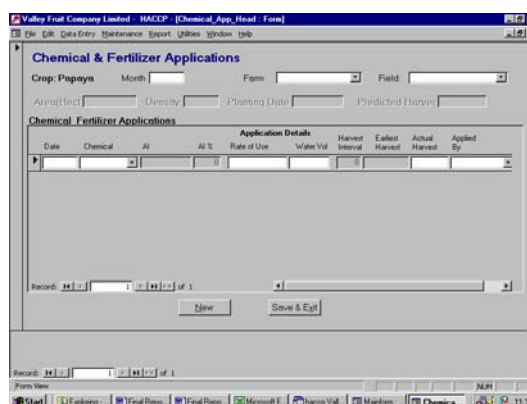
Payroll Spreadsheet. Several customized payroll spreadsheets were developed. Users simply enter the “time in” and “time out” for the employee and all deductions and pay are calculated. Employee names are accessed from pull down lists that do not require typing. Pay slips can be generated and information saved to a database to be analyzed using pivot tables. This has cut out the need to use outside accountants or has cut the time down by 50 percent to process payroll. Ten companies are using this tool.



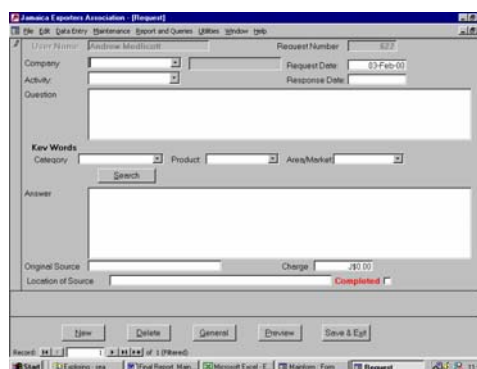
Inventory Control, Productivity, Raw Material Costing Spreadsheets. Several customized spreadsheets were developed to help monitor inventory use and stocks. One, with links to costs and materials use, provided information on a daily basis on output, yields and cost. Twelve companies are using this tool in one form or another.

Other Tools. Specific tools were developed for individual companies including stock movement, check writing, label production and others.

MS Access Application – HACCP. An application was developed for computerizing all HACCP records for the papaya growers. This enables immediate retrieval of documentation by trace code and can also provide production information by field. This is the first ever such system for papaya. The system is in use at Valley Fruit and Advanced Farms and will be introduced by the Papaya Growers’ Association to other members.

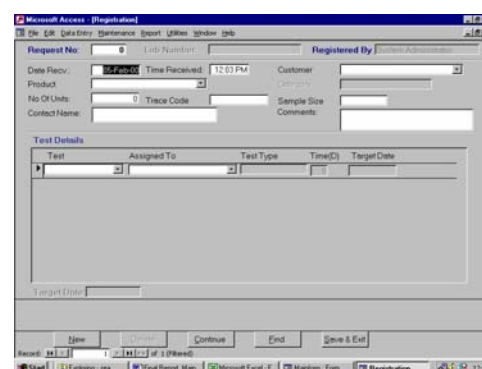


MS Access Application – JEA MIS. As with most organizations dealing with information, frequent problems are found with knowing what has been done previously, where information was obtained and where it is stored. This is “knowledge management”. The JEA Resource Center (that was improved by SBED) stores hard copies in a library format (CDS-ISIS). However, there was no system where all staff could readily retrieve information or assess what information was in demand and by who. As a result the Project developed a MIS using MS Access whereby the staff enters each request and answer, including the original source and location of the information. The system can be searched using key words to establish if the enquiry has been done previously. If so, it can be retrieved, copied and sent to the client. If not, it will be available and easily accessed in the future. In addition, the data entry information can be exported to Excel and reports prepared on the activities of the staff (for JEA management) and the client companies. This allows the Association to target non-members to become members and to target specific users when new information becomes available.



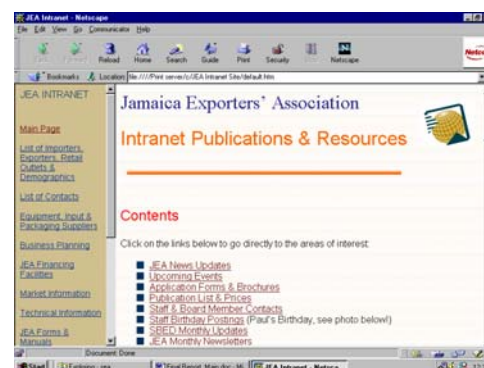
A manual was prepared for use of the system and all staff trained. The system is used by all staff and is managed by the SBED Market Information Coordinator who will remain with the JEA post-SBED.

MS Access Application – Technological Solutions. As part of the assistance to Technological Solutions, an MS Access application was developed to allow the company to track all areas of sample delivery, analysis, results, report preparation costs and charges on a real time basis. This tool allows users to follow orders and analysis over time to ensure performance, productivity and the required level of customer service. It also feeds into the companies ISO 9000 record keeping systems. The system is used by company staff and the original programmer is available to the company post-SBED for troubleshooting and any up-upgrades required.



## **11. JEA Intranet**

Throughout the duration of the Project, SBED has placed considerable attention on information provision as this was one of the most demanded services from all clients. While almost all documents were stored electronically, they could only be accessed by 2 or 3 SBED staff. In order to make documents available to all staff so they could more easily retrieve information and provide a better service to clients, an Intranet site was developed. This includes almost all SBED prepared documents, JEA SBED forms and administrative information, templates and markets surveys, local resource contacts, web site links to information sources and others.





### **Outputs / Results**

- Intranet site developed which contains almost all SBED publications, resources and sources of secondary market information.
- More than 200 documents can be accessed by all JEA staff through the site.
- Improves information provision and servicing of JEA clients.
- JEA proposes to link the Intranet site to the Exportjamaica web site and make accessible to members with passwords.
- One of the first “knowledge management tools” in Jamaica.

Logistics - Import a Logistics Association Transaction

File Edit Data Entry Statements Export Utilities Window Help

User: William Woodcock

### TRANSACTIONS

Shipment Number: 0000000000

Port Name:

Transport:

Pre Cleared:

Exporter Name:

Importer Name:

Country:

City:

Product:

Variety:

Category:

Member Of Units (Booms, etc):

Total Net Weight (kg):

Net Weight For Load:

Currency of Invoice:

\$ / Carton In Above Currency:

US \$ / Carton:

Total US\$:

Record and Clear:

Form View

Logistics - Import a Logistics Association Transaction

Transaction

The systems are managed by the JEA Fresh Produce Sector Coordinator, Charles Reid, who was provided training and now collects and revises all data and prepares all reports. The system is completely sustainable and will continue post-SBED.

### 13. Training

Most SBED training was carried out directly with the companies in their facilities. More than 550 persons were trained in this way in many areas from computer fundamentals to Internet, sales and administration, post-harvest handling, business planning, cash flow projections and others. This is definitely the best way to ensure that the correct persons are trained, the material and methodology is appropriate given the level of the trainee, and that the knowledge is applicable and sustainable over the long-term. While this method of training is time consuming, it yields excellent results in terms of use and application of the training. Most of the in-house training was one-on-one although one series of workshops on quality management was carried out at each company's premises.

Despite the emphasis on customized client training, SBED did organize more than 20 workshops that were open to all exporters. These were attended by more than 600 persons from both the public and private sectors.

Summaries of the areas of training are provided in Table 10.

#### Selected Client Comments on SBED Training

"Our staff training has improved our internal relationships significantly. I feel we are in need of follow-up sessions as a form of re-enforcement."

*Lynda Rickards, Peak Bottling*

"They also helped with our IT giving great training on farm."

*Ricky Wates, Valley Fruit*

"Training had a positive impact regarding our efforts to serve customers more effectively (i.e. on-time delivery). It impacted on our exports in that our worker morale is much improved and thus our customer complaints are much less."

*Robert Facey, Jamaican Floral Exports*

**Table 10: SBED Workshops & In-House Training**

Area of Training	Total	Female	Male
Post-harvest Handling (workshop & in-house)	43	15	28
Fresh Produce Market Surveys (workshops)	108	28	80
RADA - Pesticide Presentations (workshops)	147	30	182
SBED Miscellaneous Workshops	30	11	19
Internet (workshops & in-house)	86	49	37
Quality / Productivity (workshop & in-house)	637	370	267
Minimizing Cost through Quality Improvements (in-house)	96	66	30
Computerization - MS Office, Virus, Utilities, Spreadsheets, Forms, etc. (workshops & in-house)	74	43	26
HACCP Training (workshops & in-house)	202	139	63
Cut Flowers (workshop & in-house)	24	8	16
Trade Fair Participation (in-house)	2	2	
Customer Service (workshops & in-house)	8	2	6
Apparel / Management Training (in-house)	9	6	3
JEA - Various (workshops & in-house)	39	33	6
Plant Quarantine - MS Applications / Data Entry (in-house)	24	13	11
<b>GRAND TOTAL</b>	<b>1,529</b>	<b>815</b>	<b>774</b>



### Outputs / Results

- In total, more than 1,500 persons received training.
- More than 700 persons received in-house training from SBED long-term staff in a wide range of areas, most of which was tailored made to meet their level and requirements.
- More than 20 workshops organized by SBED and which were open to all companies, plus SBED staff presented in workshops organized by other institutions in which more than 600 persons were involved.
- Most of the skills learnt by company staff are in use in daily activities - a direct result of the in-house training approach.
- Training was wide ranging, from computer fundamentals to Internet, sales and administration, post-harvest handling, business planning, cash flow projections, quality management, customer service, food safety and many others.

SBED Staff Presentations. In addition to SBED workshops, presentations were given by staff at functions organized by others. These included the JEA Export Week and Processed Food Workshop, IICA, CARDI, RADA, JAMPRO, Yam Festival and others. Topics ranged from business planning to fresh produce and processed foods market surveys, market trends, the fresh cut business to post-harvest fungicide treatments. Most are available on the JEA Intranet.

## 14. Collaboration with Other Service Providers

Where possible collaboration was made with other institutions both local and international. These included:

- **RADA:** workshops to farmers on fresh produce market surveys and pesticide use; review of fresh produce grades and standards; US pesticide regulations.
- **Trelawny Yam Festival:** presentation on yam markets.
- **CARDI:** hot pepper workshop.
- **Agribusiness Council:** market information.
- **IICA:** pesticide regulations in Europe, template for farm-based system for recording pesticide use.
- **JAMPRO:** market information.
- **Jamaica Agricultural Society:** market information.
- **Ministry of Agriculture:** market information and regulations.
- **Jamaican Papaya Growers' Association:** newsletter production, technical support and market information.
- **Industry Advisory Committee (Industrial Advisory Policy):** review of fresh produce sector.
- **Australian Papaya Growers' Association:** newsletter exchange.
- **COLEACP (Europe):** pesticide regulations.
- **The Blue Book:** US importer checks.

Many, if not all, of these links will continue post-SBED.

## **15. Press & Publications**

Many press articles were published in the Gleaner, Observer, Agriculturist, IICA Fruit Crops Newsletter and others. Discussions were regularly held and interviews given on radio on Power 106, Hot 102, JIS and others. These covered monthly fresh produce export statistics, market surveys, Project results, overseas market trends and regulations and others. These provided a good method of free and widespread promotion and information dissemination. In addition, at least six SBED companies were featured on TVJ's Business Review.

## **16. Support to the JEA**

Support was given to the JEA in many areas. This included amongst others:

- Staff were trained in all aspects of computerization for MS Office applications to virus protection to computer-based, Internet use, desk top publishing, market bulletin preparation, business planning, servicing client needs, company assessments for loan funds and others.
- Counter-parting was carried out to different levels with particular emphasis on the fresh produce sector.
- SBED made several presentations in JEA workshops and Export Week covering business planning, the fresh cut sector, fresh produce and processed food market trends surveys and others.
- SBED updated the JEA library and created the Resource Center for hard copy storage and retrieval of information.
- JEA re-organized the staff along SBED lines with the introduction of Sector Coordinators; SBED and Fintrac HO staff assisted with development of terms of reference and benchmarks for each position.
- JEA Pre-Clearance was assisted with introducing computerized invoicing at both Kingston and Montego Bay airports. Training was given in MS Office applications to staff and troubleshooting support provided on an on-going basis for computer equipment. In addition, Fintrac HO provided support and up-front financing to source, purchase, receive, consolidated and ship equipment for fumigation operations.
- Assistance provided on computer / software upgrades and Y2K.

It was agreed internally that the most appropriate area for continuation would be market information services. Most of the infrastructure and training had been carried out. With the exception of fresh produce, areas of technical assistance were not considered as staff did not have the required background or technical experience.

## **17. Lessons Learned and Recommendations for Future Support**

There are several lessons to be learnt from the SBED experience. These include:

- The Project has demonstrated that the focused demand-driven targeted approach works extremely well. A broad based approach will not give results (as demonstrated under SBED I). It is worth

noting that others have recognized this and the European Union Target Europe follow-on project Trade Development Project is virtually modeled on SBED.

- The Technical Assistance Team must be technically competent to ensure delivery of results for clients. This is particularly true of the COP position; “general” managers do not work in this situation.
- It is essential to focus on in-firm assistance, whether it be technical, informational or financial.
- Workshop-based training is for the most part ineffective, except for smaller groups with focused topics. Generalized workshop topics such as “How to Export” are worthless.
- Project success demands a high level of credibility on part of the Project team.
- The short-term loan facility (without collateral) worked extremely well when the loans were linked to other technical assistance. Repayment rate was very high and all companies benefited from the use.
- Timely and appropriate information provision is a critical part of the support program.
- Top quality local expertise for staffing short-term and long-term technical assistance is readily available and such should be maximized on future USAID projects.